



United States  
Department of  
Agriculture

Food and  
Consumer  
Service

Mountain  
Plains  
Region

1244 Speer Blvd., Suite 903  
Denver, CO 80204-3585

Reply to: SP 96-07  
Attn. of: CACFP-458  
SFSP -283

FEB 13 1996

Subject: Suspension of Dairies

To: STATE AGENCY DIRECTORS -Colorado ED, Colorado DPHE, Colorado HS,  
(Child Nutrition Programs) Iowa, Kansas, Missouri ED, Missouri DH,  
Montana OPI, Montana DPHHS, Nebraska ED,  
Nebraska SS, North Dakota, South Dakota,  
Utah, Wyoming ED, Wyoming DHSS

Recently we were notified that the Defense Logistics Agency of the Department of Defense (DLA) has suspended several dairies from participating in Federal procurement transactions. Under the reciprocity provisions of the Department's nonprocurement debarment and suspension regulation, 7 CFR §3017.110, this suspension is effective for most covered Federal nonprocurement transactions.

As a result of DLA's suspension, these dairies are not eligible to enter into or renew most contracts with schools and institutions for providing goods or services to any of the Child Nutrition Programs, including the National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, and the Summer Food Service Program. The dairies are all affiliates of Prairie Farms Dairy which has been indicted for bid rigging in the Central District of Illinois and were suspended by DLA on December 22, 1995:

1. Prairie Farms Dairy, Inc.  
P.O. Box 560  
Carlinville, IL 62626
2. Roberts Dairy Company  
2901 Cuming St.  
Omaha, NE 68101
3. A B C Dairy, Inc.  
1001-1101 S. Grand Ave.  
St. Louis, MO 63104
4. Hiland Dairy Company  
P.O. Box 2270  
1133 E. Kearney St.  
Springfield, MO 65803

5. Ice Cream Specialties  
1100 Broadway Street  
Carlinville, IL 62626
6. Ideal American Dairy  
c/o Prairie Farms Dairy  
P.O. Box 560  
Carlinville, IL 62626
7. Muller-Pinehurst Dairy  
2110 Ogilby Road  
Rockford, IL 61102
8. P.F.D. Supply Corporation  
1100 N. Broadway Street  
Carlinville, IL 62626
9. GMS Transportation, Inc.  
1800 Adams Street  
Granite City, IL 62040
10. East Side Jersey Dairy, Inc.  
722 Broadway Street  
Anderson, IN 46012

Three of the dairies listed, Roberts, A B C and Hiland, have contracts with various Child Nutrition Program outlets in this Region.

The suspension does not relieve these dairies from fulfilling their existing contractual obligations to schools and institutions. Please note that under the provisions of memorandums SP 96-04, CCAFP-452, and SFSP-279 dated November 22, 1995, this suspension applies to contracts that equal or exceed \$100,000 on an annual basis.

Please notify all participant - or potential participant- schools and institutions of this action. When and if the status of any of the above dairies changes, we will notify you. If you have further questions, please contact Ed Campbell at 303-844-0355.

*Ann C. DeGroat*

ANN C. DEGROAT  
Regional Director  
Child Nutrition Programs